29th User Group Meeting at EUIPO

October 28, 2020 EU Intellectual Property Network

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On 28 October, the Office hosted the second online session of the 29th User Group meeting.

The meeting gathered 20 representatives of 14 User Associations. This annual event is an official forum in which representatives from the User Group gather to exchange views on EUIPO's strategic activities and projects, in particular those activities with a direct impact on users.

This second online session aimed at presenting the evaluation of the results and benefits of the ECPs under SP2020, followed by an overview of the state of play of the European Cooperation Projects under SP2025 and the recent developments after the Working Groups which took place in the first week of October. EUIPO's Deputy Executive Director, Mr Andrea Di Carlo provided the global context and the latest developments on the general update on SME initiatives, which also included the draft proposal for the creation together with the European Commission of a Fund to support SMEs in 2021 to be later on submitted for the approval of the MBBC, and an update on the outcome of the first Working Group meeting of the ECP6 "Supporting SMEs" and its next steps.

The presentation on the project "Broaden the Cooperation Framework outside the EU" and an update on the implementation of the EU-funded projects closed this second session of the 29th edition of this forum.

The first online session of the 29th User Group meeting was held on 14 October. The Executive Director, Mr. Christian Archambeau opened the meeting by giving first hand information on the impact of COVID-19 on the Office's activities and its users, as well as an outline of the upcoming strategic and institutional agenda. The meeting was then dedicated to exchange views with the users on the closure elements of SP2020 and the strategic projects initiated within the SP2025 in 2020 as well as those that will be proposed for 2021, with the focus on advanced customer-centric services and initiatives under Strategic Driver 2, introduced by the Deputy Executive Director, Andrea Di Carlo. The session also included an overview on the latest case law of the Boards of Appeal and the General Court counted upon the presence of the President of the Boards of Appeal, Theophile Margellos. This session was then followed by an update on the changes to the draft Guidelines. The meeting finished with an update on the latest developments related the impact of Brexit in the Office's practice.

The Office continues to do its utmost to maintain its direct channels of communication and discussion with the User Group adapted to the current circumstances and through virtual platforms.

<u>Combating child abuse online – Council</u> <u>ready to negotiate a temporary measure</u>

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Today, member states' ambassadors agreed on a negotiating mandate on temporary rules to allow providers of communications services such as webbased email and messaging services to continue detecting child sexual abuse online. These temporary rules will have to be in place by 21 December 2020, when the comprehensive European electronic communications code enters into application, bringing with it a new definition of electronic communications services, which from that date on will also include 'number-independent interpersonal communications services' (NI-ICS). Following the change, these services will have to comply with the confidentiality rules of the ePrivacy directive instead of the general data protection regulation (GDPR) and, without a specific derogation, they will not be able to continue their current practices to combat child sexual abuse online.

Protecting children and fighting against child sexual abuse in any form is an absolute priority for the EU. The valuable activities carried out on a voluntary basis online to detect and remove this criminal material must be able to continue without interruption.

Peter Altmaier, German Federal Minister for Economic Affairs and Energy, President of the Council

The ePrivacy directive ensures the protection of private life and the confidentiality of communications and personal data in the electronic

communications sector. Providers of electronic communications services must comply with ePrivacy when processing communications data. In its definition of 'electronic communications services', the ePrivacy directive relies on the definition in the electronic communications code.

Some NI-ICS providers are already using specific technologies to detect child sexual abuse on their services in order to remove it and/or to report it to law enforcement authorities and to organisations acting in the public interest to fight against child sexual abuse.

In contrast to the GDPR, the ePrivacy directive does not contain a legal basis for voluntary processing of content or traffic data for the purpose of detecting child sexual abuse. Therefore, for the services falling within the scope of the ePrivacy directive, NI-ICS providers will not be able to continue to take such action unless a legislative measure is adopted with urgency and brought into effect by 21 December 2020. The derogation will make it possible for these activities to continue as long as they are compliant with the GDPR.

The Commission has announced that it will propose legislation to tackle child sexual abuse online by the second quarter of 2021. That legislation will aim to provide a long-term solution to replace the temporary measure.

Under the Council position, the temporary regulation will apply until 31 December 2025, or until an earlier date when the permanent legal instrument is adopted by the legislators and repeals this temporary measure.

Today's mandate was approved by ambassadors meeting in the Council's Permanent Representatives Committee (Coreper). It allows the presidency to start talks with the European Parliament on the final text.

<u>Latvia: EIB supports ALTUM to help</u> <u>Latvian businesses</u>



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- EUR 130 million in financing to support ALTUM's measures to help Latvian businesses cope with the economic consequences of the Covid-outbreak.
- Signed in early July, so far more than 470 Latvian businesses have been supported with various measures, including lower interest rates and longer repayment horizons.

Together with the Latvian Ministry of Economy, in mid-March Altum launched a EUR 200m *Covid-19 Working Capital Loan Programme*, a support mechanism for Latvian businesses impacted by the Covid-19 crisis. To expand the capabilities of this programme to safeguard Latvian businesses and jobs, in July the European Investment Bank lent ALTUM €80 million in Covid-related financing. The Government of the Republic of Latvia provided additional €50 million. So far, the European financing has helped ALTUM to support 475 Latvian companies, thus making sure that more than 1580 people's jobs were safeguarded.

EIB Vice-President **Thomas Östros** commented: "Small and medium-sized businesses are essential to Latvia's quick recovery from the ongoing economic downturn. The Latvian government and ALTUM are doing all they can to support SMEs and the Bank is glad that it can back up this programme. Since the financing was signed in August, we can already see the positive effects of the programme. We will continue to support ALTUM, a longstanding partner of the EIB, wherever we can."

Reinis Bērziņš, ALTUM Management Board Chairman, stated: "With support from the government and the EIB, ALTUM is providing swift assistance to businesses to help them cope with the difficulties caused by the negative impact of Covid-19 outbreak. Since the start of the crisis, the combined positive effect of all of ALTUM's financial instruments on the economy exceeds 625 million, and is increasing daily. It's a good thing that we can continue our fruitful collaboration with the EIB to support Latvian small and medium-sized enterprises and help to safeguard many jobs."

The EIB-backed programme consists of short-term loans (up to 3 years) to Latvian companies struggling with a substantial decrease in operations and therefore in need of liquidity support. The EIB's funds have helped Altum to support the SMEs in a timely manner with advantageous financial conditions, such as lower interest rates and longer repayment or grace periods.

Background information

In the last five years, the EIB has provided over EUR 460 million in financing to Latvian projects. The EIB's relationship with ALTUM dates back to 2009, when a EUR 100 million loan was signed with Latvijas Hipoteku un Zemes Banka, ALTUM's predecessor. In the face of the ongoing crisis, the EIB and its subsidiary the EIF, make available loans, guarantees, asset-backed securities, equity and other financial instruments to mostly small and medium-sized enterprises, to boost those parts of the EU economy and the healthcare sector that were hit the worst.

ALTUM is a state-owned development finance institution, which offers state aid for various target groups with the help of financial tools (such as loans, credit guarantees, investment in venture capital funds, etc.). ALTUM develops and implements state aid programmes to compensate for the market's shortcomings that cannot be solved by private financial institutions. In June 2017, ALTUM was awarded the international credit rating Baal by Moody's, which approves its strong financial stability.

<u>Press release – 'Not there yet': Rule</u> <u>of law conditionality trilogues</u> <u>continue</u>



After conclusion of the third round of informal legislative negotiations with the Council, EP negotiators said on Tuesday:

"Some progress was made today but we are not there yet. The EP's position is clear: we need a functioning mechanism that works in practice and protects the final recipients of the EU money. 77% of the EU taxpayers have confirmed that this is what they expect from the EU legislators".

Next steps

The next round of informal inter-institutional negotiations is scheduled to take place on Thursday the 29th October.

EP negotiating team on Rule of Law conditionality

Monika Hohlmeier (EPP, DE) (Co-chair, Budgetary control)

<u>Johan Van Overtveldt (ECR, BE)</u> (Co-chair, Budgets)

Petri Sarvamaa (EPP, FI) (Co-rapporteur)

Eider Gardiazabal Rubial (S&D, ES) (Co-rapporteur)

Terry Reintke (Greens/EFA, DE) (LIBE rapporteur)

Lefteris Christoforou (EPP, CY)

<u>Claudiu Manda (S&D, RO)</u>

Katalin Cseh (Renew, HU)

Moritz Körner (Renew, DE)

Daniel Freund (Greens/EFA, DE)

<u>Alexandra Geese (Greens/EFA, DE)</u>

Ryszard Czarnecki (ECR, PL)

Younous Omarjee (GUE/NGL, FR)

Hélène Laporte (ID, FR)

Background

The European Parliament has been ready to start inter-institutional negotiations on the "rule of law conditionality" regulation since January 2019, when MEPs approved their first reading position. The EP's main demands were:

- to link EU funds to the respect to the rule of law and fundamental rights in member states;

- an "applicable mechanism" that actually can be triggered;

- to protect the beneficiaries (final recipients of EU funds);

- to include the Parliament in any decision to trigger the mechanism, and

- a panel of independent experts to assist the Commission.

In a <u>recent EU-wide survey</u> (conducted October 2020), 77% of Europeans insisted that the EU should only provide funds to member states if the national government implements the rule of law and democratic principles.

<u>Press release – MEPs warn of attempts</u> <u>by some EU countries to silence and</u> <u>subdue critical media</u>



In a resolution adopted on Tuesday by 52 votes to 5 and 7 abstentions, the committee condemns "attempts by governments of some member states to silence critical and independent media". MEPs denounce underhand efforts to restrict media freedom and pluralism via financial patronage. The text pays special attention to public service media, which should rely on financial models that assure their editorial independence.

Journalists need to be protected, by law and in practice

MEPs point to the "growing pattern of intimidation", citing the murders of Daphne Caruana Galizia and Ján Kuciak and his fiancée as examples of the risks that confront investigative journalists. They call on public figures to refrain from denigrating journalists, and insist on the obligation to investigate attacks, highlighting that female journalists are especially vulnerable and should be given additional protection.

EU money for media freedom and pluralism

The text notes that excessive concentration of media ownership puts pluralism at risk, making it more difficult to challenge the spread of disinformation. MEPs demand that EU countries take action to avoid horizontal concentration and guarantee transparency. They criticise governments' excessive interference in public advertising, and make clear that EU money must not be spent on government-controlled media or political propaganda.

The committee asks the European Commission to assess ownership transparency, as well as private and government interference, in each member state. In the context of the negotiations over the EU long-term budget, it also appeals for increased funds for independent journalism.

Online hate speech and disinformation

MEPs ask for the legal framework to be fortified in order to fight increasing online hate speech and call for greater collaboration between online platforms and law enforcement. They assert that platforms' voluntary actions are "necessary yet still insufficient" in tackling disinformation, illegal content and foreign interference, but stress that they "must not become private censors".

MEPs are particularly worried about third party democratic interference and highlight attempts to undermine citizens' trust in democratic institutions, notably through "conspiracy theories and public disinformation campaigns aimed at discrediting the EU". They add that such campaigns have been evident during the pandemic.

Quote

<u>Magdalena Adamowicz (EPP, PL)</u>, rapporteur, stated: "Disinformation, hate speech and the politicisation and capture of public media by ruling parties are the greatest threats to democracy, the rule of law, and the existence of the European Union today. We are at a turning point. If we do not stand up to defend free and independent media, fight disinformation and hate speech, and support a resilient and critical civil society, we will lose our right and our ability to make free and democratic choices".

Next steps

The draft resolution will be put to the vote by the full House during the next plenary session (23-26 November).